

Iren, the Board of Directors approves the results as at 31 December 2022: record investments of EUR 1.5 billion (+56%). Ordinary EBITDA growth of 6.4% and proposed dividend in line with business plan of 0.11€/share (+10%).

- *Nearly EUR 1.5 billion of gross investments, up 56% year-on-year, in renewable plant development and waste treatment plants, distribution network resilience and energy efficiency in buildings*
- *EBITDA growth of 3.8% to EUR 1,055 million. Ordinary EBITDA net of non-recurring effects up by 6.4%*
- *Net debt/EBITDA ratio at 3.2x. Net debt increased by only EUR 440 million, thanks to excellent net working capital management*
- *Dividend of 0.11€/share, 10% higher than the ordinary 2021 dividend as per the business plan*
- *The consolidation of Sei Toscana and the new hires, resulting in 1,530 people joining the Group, bring the total number of Iren employees to over 10,580*

Main indicators

- **Gross Operating Margin (EBITDA) in the amount of EUR 1,054.7 million** (+3.8% compared to EUR 1,015.8 million as at 31/12/2021). The EUR 39 million increase in EBITDA is mainly driven by the 'capacity market' consideration for electricity generation activities, organic growth in regulated sectors (Networks and Waste), acquisitions made in renewables. Overall growth was partially reduced by the impact of the drought on the energy supply chain, lower heat consumption due to mild temperatures, and higher operating costs due to inflation.
- **Group net profit attributable to shareholders of EUR 226 million** (-25% compared to EUR 303 million as at 31/12/2021). The 2022 result includes higher financial expenses on derivatives of EUR 21 million and the negative impact of the Solidarity Contribution estimated at EUR 27 million. The 2022 figure compares with the 2021 result, which was positively impacted by EUR 32 million of non-recurring tax income and EUR 9 million of other contingent assets.
- **Net financial debt at EUR 3,347 million** (+15.2% compared to EUR 2,906 million as at 31/12/2021). The investments made in the period contributed to the growth of the net debt which remained contained thanks to the sale of the gas warehouse and the excellent management of the trade net working capital.
- **Gross investments amounting to EUR 1,485 million**, up 56% compared to 31/12/2021, of which EUR 898 million in technical investments, EUR 310 million in M&A transactions and EUR 277 million regarding building energy requalification activities.

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Reggio Emilia, 23 March 2023 - The Board of Directors of IREN S.p.A. today approved the consolidated financial statements as at 31 December 2022.

Luca Dal Fabbro, Chair of the Group, said: " *The results that have just been approved highlight how even in a particularly complex year, Iren has demonstrated financial solidity and industrial vision, acting with great resilience and a strong sense of closeness to the territories in which it operates and their citizens. The difficult geopolitical context that has characterised 2022 and generated strong criticality in the energy and services sector has been faced by Iren with responsibility and attention to customers and shareholders, further strengthening Iren's role as a reliable partner in the energy transition and in the creation of value for the territory and communities.*"

"Even in 2022 the Iren Group's results were supported by the growth of Sustainability indicators in line with plan forecasts - stated Iren's Vice Chair Moris Ferretti - I am referring in particular to the quantity of waste sent for material recovery in our plants, which has grown by 40% compared to last year, to the number of inhabitants served by waste collection, now at 3.8 million, to the volume of certified green electricity sold to our customers for over 1.6 TWh, and to the quality of the service offered in the integrated water cycle with average water losses of 31%, against a national average of 41%. These goals confirm the great attention that the Group has always dedicated to these fundamental aspects for the development of the territories in full respect of the environment and of the various players who interact with Iren."

Gianni Vittorio Armani, Chief Executive Officer and General Manager of the Group, said: "The year just ended confirmed the validity of the path taken with the previous business plan, which led to the realisation of record investments of EUR 1.5 billion, +56% compared to 2021 and more than double the amount by 2020, and the achievement of an ordinary EBITDA growth of 6.4% compared to the previous year. Despite the strong increase in capital expenditure, we managed to contain the growth in debt under the forecasts, thanks to the disposal of the gas inventory and the excellent management of commercial net working capital. During the year, following the consolidation of Sei Toscana and new hires, 50% of which composed by young under 30,, 1,530 new people joined the Group, bringing the total number of employees to 10,580. Given the solidity of the newly approved results, we propose a dividend growth of 10% as envisaged in the business plan and amounting to 0.11€/share."

IREN GROUP: CONSOLIDATED RESULTS AT 31 December 2022

Consolidated **revenues** as at 31 December 2022 amounted to EUR 7,863 million, up +58.7% compared to EUR 4,955.9 million in 2021. The main factors of increase refer to the higher energy revenues, influenced for over EUR 2,400 million by the increase in commodity prices partially absorbed by the climate effect (approximately -88 million). Also contributing to the positive change in turnover are energy efficiency activities such as energy upgrading and the renovation of buildings, favoured by tax breaks (+274 million approximately). Finally, the changes in the perimeter affect revenues for over EUR 200 million and refer to the consolidation from February 2022 of Puglia Holding (now Iren Green Generation), Alegas (from April 2022) and SEI Toscana (from July 2022).

Gross operating profit (EBITDA) amounted to EUR 1,054.7 million, up +3.8% compared to EUR 1,015.8 million in 2021.

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The increase in the scope of consolidation for the acquisition of Puglia Holding (EUR +50 million), operating in the production of photovoltaic energy and the consolidation of SEI Toscana, operating in the waste collection sector, had a positive effect on the margin for the period, the related organic growth to the tariff increases of network services linked to the investments made, the development of activities connected with the energy requalification works and the entry into full operation, following the expansion of capacity, of the biodigestors of Cairo Montenotte and Santhià.

The energy scenario, characterised by sharply increasing electricity and gas prices compared to 2021, had a positive impact on the margin. In fact, the integrated management of the energy chain has allowed, in a very volatile environment, compensatory dynamics between the positive effects (margins on electricity and heat production, capacity market fees and tax credits on energy costs) and the negative effects (margins on electricity sales in significant decline). However, the positive scenario effect was more than offset by negative regulatory effects (the cessation of the production of energy efficiency certificates for the Turin North plant and a sharp reduction in margins on the dispatching services market) and the climatic effects characterised by a persistent drought and high temperatures, which led to a sharp decrease in the volumes of energy produced from hydroelectric sources, resulting in fewer green certificates produced and lower quantities of heat sold for district heating use.

Overall, the increase in margin with reference to the individual business units is broken down as follows: Waste Management (+16.1%), Energy (+20.5%), Networks (+8.1%) while the Market business unit declined (-86.7%), the latter trend to be considered together with the increase in marginality of the Energy BU in the logic of integrated management of the energy supply chain (production and marketing of electricity produce from renewable sources).

The **Operating Result (EBIT)** amounted to EUR 463.7 million, an increase of +2.2% compared to EUR 453.7 million in 2021. Depreciation for the period rose by EUR 44 million, due to the start-up of new investments and expansion of the consolidation scope, and to higher provision for bad debts for about EUR 10 million. There were also higher releases of provisions of about EUR 11 million, mainly related to the termination of disputes with suppliers, higher accruals to the provision for risks of EUR 9 million, including the impact of the two-way compensation mechanism for electricity prices pursuant to the 'Sostegni Ter' decree, and lower write-downs of EUR 23 million; in the previous year, the Scarlino Energia plant was written down.

Group net profit attributable to shareholders amounted to EUR 226.0 million, a decrease (-25.4%) from the result recorded at 31/12/2021. The 2022 result includes higher financial expenses on derivatives in the amount of EUR 21 million, as a result of the unexpected regulatory change in the ARERA index for gas and heat (from Pfor to PSV) and the full negative impact of the Solidarity Contribution estimated at EUR 27 million, of which EUR 3 million related to the 2023 Budget Law. Furthermore, the 2022 figure compares with the 2021 result, which was positively impacted by EUR 32 million in non-recurring tax income and EUR 9 million in other contingent assets. Excluding non-recurring tax items, Group net profit attributable to shareholders would have amounted to EUR 253 million at the end of 2022, down -3.5% compared to Group net profit in 2021 adjusted for all non-recurring items described above.

Net financial debt stood at EUR 3,347 million as of 31 December 2022, an increase (+15.2%) compared to the 31 December 2021 figure. In this regard, the investments made in the period contributed to the growth of the net debt, which remained contained thanks to the sale of the gas warehouse and the excellent management of the trade net working capital.

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Gross investments made in the period amounted to EUR 1,485 million, up (+55.5%) compared to EUR 955 million in 2021, of which EUR 898 million in technical investments, EUR 310 million in investments relating to operations M&A (mainly the acquisition of the photovoltaic parks in some towns in Puglia of Puglia Holding, the acquisition of the company Mara Solar, holder of the authorisations for the construction of photovoltaic plants in southern Italy, as well as the acquisition, through a capital increase, of 51% of the companies Limes 1 and Limes 2 operating in photovoltaic production in Lazio, the acquisition of the sales company Alegas, the increase in the investment in SEI Toscana, the purchase of some gas distribution assets and the hydroelectric generation plants of Valle Dora Energia and the purchase of SAP for the water service in the municipalities of eastern Liguria) and EUR 277 million relating to energy efficiency projects.

IREN GROUP: MAIN RESULTS BY BUSINESS AREA

(millions of Euro)	31/12/2022	31/12/2021	Change %
Revenue	7,863	4,956	58.7%
Networks BU (energy and water infrastructures)	1,130	991	14.1%
Waste Management BU	1,089	916	18.9%
Energy BU (Generation, TLR, Energy Efficiency)	4,394	2,280	92.8%
Market BU	5,396	3,071	75.7%
Services and other	30	26	12.1%
Netting and adjustments	-4,176	-2,328	79.4%
Gross Operating Profit (EBITDA)	1,055	1,016	3.8%
Networks BU (energy and water infrastructures)	413	382	8.1%
<i>Electrical infrastructure</i>	79	81	-3.6%
<i>Gas infrastructures</i>	86	90	-3.9%
<i>Water infrastructures</i>	248	211	17.7%
Waste Management BU	264	227	16.1%
Energy BU (Generation, TLR, Energy Efficiency)	359	298	20.5%
Market BU	14	104	-86.7%
<i>Electricity</i>	-103	12	(*)
<i>Gas and other services</i>	117	92	27.2%
Services and Other	5	4	19.0%
Operating Result (EBIT)	464	454	2.2%
Networks BU (energy and water infrastructures)	210	188	11.5%
Waste Management BU	123	92	34.2%
Energy BU (Generation, TLR, Energy Efficiency)	224	157	42.1%
Market BU	-95	14	(*)
Services and Other	2	2	12.7%

(*) Change of more than 100%

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NETWORKS (ENERGY AND WATER INFRASTRUCTURES)

Revenues from the segment amounted to EUR 1,130.4 million, an increase of +14.1% from EUR 990.8 million in 2021. The increase in revenue is attributable for about EUR 32 million to the effect generated by the recognition in 2021, both as revenue and expense, of the obligation of energy efficiency certificates (TEE) relating to previous years, and no longer repeatable, and to the recognition as revenue of the increase in recognised pass-through costs of about EUR 43 million and resulting from the increase in the price of electricity used in the industrial process. There were also increases in revenues related to contingent assets related to the favourable ruling of the Council of State on tariff awards from previous years.

The **Gross operating profit (EBITDA)** amounted to EUR 413.2 million, up 8.1% compared to EUR 382.3 million in 2021. The overall margin is generated by:

- an improvement in the margin of the **integrated water service**, mainly attributable to the implementation of the Council of State rulings on the recognition of tariff adjustments for the 2011-2013 periods and the increase in the tariff revenue constraint (VRG) as a result of the increase in invested capital (RAB), even though the remuneration of invested capital (WACC) was reduced as provided for by ARERA tariff measures, and the recognition of green certificates on the production of electricity and relating to previous years. These increases made it possible to absorb the non-contribution to the margin of some minor concessions sold, the higher operating costs linked to inflationary dynamics and the absence of extraordinary items related to insurance settlements present in the previous year.
- a decrease in the margins of **electricity distribution**, attributable to the contraction of the restriction on tariff revenues characterised by a reduction in the remuneration of invested capital (WACC) envisaged by the ARERA tariff provisions, only partially offset by the positive effect of the higher investments, and by penalties relating to the technical quality referable to previous years absorbed by out-of-period income relating to the electricity equalisation of the metering activity also referable to previous years.
- a decrease in the **gas distribution** margin can be attributed to a contraction in the revenue constraint resulting from a reduction in the rate of return on capital employed (WACC) provided for at the beginning of the year by ARERA tariff measures, and higher operating costs, including mainly the higher cost of gas (energy scenario effect) used in the decompression stations.

In 2022, the Group distributed 3,687 GWh of electricity, 1,124 million cubic metres of gas and sold 170 million cubic metres of water.

As at 31 December 2022, **gross investments** in the sector amounted to 328 million euros, up (+6.5%) compared to the previous year, and were allocated to the modernisation of the gas and electricity networks and the construction of the infrastructure envisaged by the Integrated Water Cycle Sector Plans, the digitalisation of activities and the development of electric mobility.

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WASTE MANAGEMENT

In the Waste Management segment, **revenues** came to 1,089.3 million euros, up +18.9% from 916.1 million euros in 2021. The increase is attributable for more than EUR 100 million to the change in the scope of consolidation related to the consolidation as of 1 July 2022 of SEI Toscana, a company operating in the integrated cycle of municipal waste in the entire provinces of Arezzo, Grosseto, Siena, and 5 municipalities in the province of Livorno. Higher energy revenues were also recorded (+14 million euro approx.) due to the increase in the price of electricity produced, higher revenues from the treatment and enhancement of recovered materials from separate waste collection, plus higher revenues from waste disposal and intermediation activities.

Gross operating profit (EBITDA) amounted to 264 million euros, up +16.1% compared to 227.4 million euros in 2021. The increase in the margin is due to the significant improvement in energy margins following the increase in the sale price of electricity and thermal energy, the collection and sale of materials recovered from sorted collection and the treatment and enhancement of organic waste mainly due to the entry into full operation of the biodigesters of the Organic Fraction of Municipal Solid Waste in Cairo Montenotte (SV) and Santhià (VC). The entry of SEI Toscana into the scope of consolidation also contributed to the improvement in the margin.

In 2022, the **waste managed** amounted to over 3,735 thousand tonnes.

As at 31 December 2022, **gross investments** in the sector amounted to EUR 193 million, up +17.2% compared to EUR 164 million in 2021. Investments relate to the purchase of collection vehicles and equipment and the construction of plants; in particular, among the latter, we highlight the organic fraction treatment plant of Reggio Emilia and the plastic treatment plant of Quarto Borgaro (TO).

ENERGY (GENERATION, DISTRICT HEATING AND ENERGY EFFICIENCY)

Revenues from the Energy segment amounted to EUR 4,394.4 million, a significant increase compared to EUR 2,279.5 million in 2021. The increase in revenues is mainly attributable to the increase in electricity sales prices (approximately EUR 1,800 million) partly offset by the lower quantities sold (approximately -200 million). Revenues from heat production are also up, for over 205 million euro, mainly as a result of higher sales prices, correlated to the increased costs of combustible gas, as well as revenues from activities connected with energy requalification and building restructuring favoured by recent tax breaks and other activities of energy services (up +274 million euro). As of February 2022, the photovoltaic plants of Puglia Holding, recently renamed Iren Green Generation, became part of the scope of consolidation.

Gross operating profit (EBITDA) of the segment stood at EUR 358.9 million, an increase of +20.5% compared to EUR 297.8 million in 2021. The national demand for electricity amounted to 315.6 TWh, down by -1.2% compared to 319.3 TWh. The energy crisis affected national electricity demand, leading to a drop in consumption despite above-average summer temperatures. The trend in the energy scenario was characterised by a sharp increase in electricity prices and in the price of gas used as a raw material in Generation activities. These dynamics have led to an increase in generation margins for renewable production and heat cogeneration. In particular, heat cogeneration improved compared to 2021 despite the lower volumes sold due to the climatic effects of the 2022 financial year and the

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discontinuation of the recognition of energy efficiency certificates to the Turin North cogeneration plant, which had contributed about EUR 28 million to EBITDA in 2021. On the other hand, there was a deterioration in the margin of hydroelectric production, which, despite the sharp increase in sales prices, suffered a significant reduction in the quantities produced due to the low level of the reservoirs at the end of 2021 and the continuing lack of water availability for all of 2022, also leading to a reduction in the number of green certificates earned. These effects are more than offset by the greater margin in the photovoltaic segment thanks to the inclusion in the scope of consolidation of Iren Green Generation's plants, which contribute approximately EUR 50 million to EBITDA for the period. The positive effects linked to the recognition of the Capacity Market that the Group was awarded through the competitive tenders managed by Terna should also be noted. This made it possible to absorb the lower margins on the dispatching services market (DSM).

Energy Efficiency related activities show an improvement of up +18 million euro compared to 2021, due to the development of activities related to energy requalification works (Superbonus 110%).

During the period, **electricity** generated totalled 7,593 GWh, down -17.2% from 9,134 GWh in 2021. Electricity production from cogeneration sources amounted to 4,954.9 GWh, down (-11.7%) compared to 5,610.2 GWh in 2021, also due to the drought, which limited the cooling capacity of the plants, while thermoelectric production amounted to 1,658.1 GWh, down by -29.1% compared to 2,337.3 GWh in 2021, mainly due to a failure of a steam turbine at the Turbigio thermoelectric plant, thus from the end of June 2022, not fully operational, and despite the start-up, albeit in temporary operation, of a new group with an installed capacity of 430 MW.

Production from renewable sources amounted to 979.5 GWh, down by -20.1% compared to 1,226.1 GWh in 2021 despite the significant development of photovoltaic production. The decrease can be attributed to hydroelectric production, which amounted to 772.3 GWh compared to 1,205.7 GWh (-35.9%) in 2021 due to low water availability during the period. On the other hand, photovoltaic production increased, standing at 207.2 GWh (20.4 GWh in 2021), thanks to the production of Iren Green Generation's plants.

The **heat** produced amounted to 2,534.3 GWht, down by -15.7% compared to 3,006.5 GWht in 2021 due to milder temperatures and government measures on energy saving.

Gross investments of EUR 225 million were made as at 31 December 2022, up 32.5% from EUR 169.5 million in 2021. The main investments in the period included the repowering of the Turbigio thermoelectric power plant and the development of district heating networks.

MARKET

Revenues from the Market segment amounted to 5,395.6 million euros, up 75.7% from 3,070.9 million euros in 2021. The increase in revenues is primarily due to the sharp rise in the prices of both gas and electricity, and in a lesser degree is due to the higher quantities of electricity and gas sold.

The sector's **EBITDA** amounted to EUR 13.9 million, down -86.7% on the EUR 104.4 million in 2021, which was characterised by extraordinarily positive margins that cannot be replicated in subsequent periods. The sharp contraction in margins is attributable to the sale of electricity, which presents a negative gross operating margin of EUR -102.7 million, while gas contributed positively, showing an improvement compared to the previous year.

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The other services sector made a positive contribution to the margin thanks to an important development of services and ancillary products marketed (e-mobility, marketing of boilers and other energy products/services, etc.).

Directly marketed **electricity** in the period amounted to 8,379.3 GWh, up (+13.9%) compared to 2021. The increase in the deregulated market affected all segments with the sole exception of the Business segment; in particular, the wholesalers segment recorded sales of 2,795.1 GWh (+60.9%) compared to 1,736.7 GWh in 2021, the retail and small business segment recorded sales of 3,143.6 GWh (+28.8%), also thanks to the greater quantities deriving from the auctions of gradual residential protection. On the other hand, sales were down in the Business segment (-23.3%) with sales of 2,190.3 GWh compared to 2,857.1 in 2021.

Sales in the protected market amounted to 250.4 GWh, down by -21.3% compared to 318.3 GWh in 2021.

In addition, 2,751 million cubic metres of **gas** were purchased, down 6.0% compared to 2021, due to the decrease in gas intended for internal Group consumption (-16.5%).

Gross investments of EUR 79.4 million were made as at 31 December 2022, up +22.8% from EUR 64.6 million in 2021.

BUSINESS OUTLOOK

The macroeconomic context continues to remain critical, particularly due to the inflationary effects of higher energy commodity prices, which are generating a significant increase in interest rates. In this context, the strategic approach defined in the 2021 Business Plan is confirmed and reinforced in all strategic drivers: ecological transition, territoriality and service quality. The Group expects to invest more than EUR 1 billion in 2023, mainly for asset development in the networks, environment and renewable generation sectors.

On the strength of this development capacity, financial results are expected to grow compared to 2022 due to a recovery of the full value of the customer portfolio, the stabilisation of energy prices and the disappearance of the negative extraordinary items reported in 2022.

In particular, analysing the individual business units, the Networks will continue to be characterised by an increase in operating costs due to inflation, fully recoverable from 2024 and only partially offset by higher tariff revenues due to the increase in tariff invested capital (RAB). Investments in the integrated water system will favour the increase in purification capacity, the reuse of resources and the reduction of water losses due to greater efficiency. In the electricity and gas distribution network, the objective is to increase the power supported by the former and make the latter suitable for the distribution of hydrogen mixtures, while keeping in mind the continuous improvement of service quality.

As far as the Waste sector is concerned, investments will be aimed at the construction of waste material recovery plants as envisaged in the business plan and at increasing the quality of the service, extending door-to-door collection and punctual pricing. In particular, in 2023, we will have the full contribution of the organic waste treatment and biomethane production plant in Reggio Emilia and the start-up of the wood recovery and pallet production plants in Vercelli and the plastic selection plant in Turin.

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In the Energy and Market segments, in 2023, the Group expects the full recovery of the value of the customer portfolio, which in 2022 was strongly affected by the volatile energy scenario and the contribution of the new combined cycle line of the Turbigio thermoelectric plant. Investments will focus on the development of new renewable capacity (photovoltaic and wind power) in combination with the growth of the retail customer portfolio.

Finally, Smart Solutions, focused on the energy efficiency of buildings, will act as the main interlocutor for public administrations to ground complex urban regeneration projects and develop renewable energy communities.

On the strength of a robust investment plan, expected growth in economic results, and the optimisation of net working capital, the Group can confirm the development trend and financial sustainability envisaged in its Industrial Plan.

2022 SUSTAINABILITY REPORT APPROVAL

The Board of Directors of Iren approved today, at the same time as the Economic Report, the 2022 Sustainability Report, which also takes the form of a Consolidated Non-Financial Statement (NFS), pursuant to Legislative Decree no. 254/2016. The Report, which reports on the Group's economic, environmental and social performance, is a tool for monitoring the objectives of the 2030 Business Plan, which integrates sustainability among the strategic pillars of development. It is also an opportunity for discussion with the territory and all stakeholders.

During 2022, 75% of the investments incurred by the Group were allocated to sustainable projects or activities in line with the pillars of the Business Plan. With regard to the **ecological transition**, the production of electricity from photovoltaic plants increased tenfold during the year, thanks to the acquisition of European Energy's plant park. In spite of this, there is a slight deterioration in carbon intensity, which stands at 339g CO₂/kWh, due to reduced hydroelectric production as an effect of the drought in 2022. The production of biomethane more than doubled compared to the previous year to 5.8 million standard cubic metres, further increasing the energy recovery from waste. Finally, we report an increase in green energy sold, thanks to a commercial conversion campaign that began in 2020 aimed at encouraging sustainable consumption and reducing the environmental impact of our customers.

The increase in district heating volumes, which have exceeded 100 million cubic metres, the achievement of 70% of separate waste collection in the historic areas, thanks to door-to-door collection systems and punctual pricing, and the large number of reconstruction projects condominium, supported by Superbonus 110% have strengthened the **local presence** of Iren.

Finally, the **quality of the services** offered improved during the year, as is evident in the increase in the customer satisfaction index, which stands at 91%. As a result of districting activities, which allow for increased monitoring and early intervention, water losses were reduced to 31.2%, which is in line with the 2030 goal of 20%. In addition, Iren proceeded with the modernisation of the distribution networks, increasing the percentage of gas network in protected steel.

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DIVIDEND

The Board of Directors resolved to propose to the Shareholders' Meeting, which will be held on 4 May 2023, the payment of a dividend of 0.11€/share, up by 10% compared to last year, which will be payable as of 21 June 2023 (ex-dividend date 19 June 2023 - record date 20 June 2023).

CONFERENCE CALL

The results for the year ended on 31 December 2022 will be explained today, 23 March, at 3:30 p.m. (Italian time) during a conference call with the financial community, which will also be webcast in listen-only mode on the website www.gruppoiren.it in the Investors section.

ALTERNATIVE PERFORMANCE MEASURES

This press release uses some alternative performance measures (APM) that are not included in the international accounting principles adopted by the European Union (IFRS-EU) to allow for a better assessment of the performance of the IREN Group's operating and financial performance. In accordance with the recommendations of the Guidelines published in October 2015 by ESMA, the meaning, content and basis of calculation of these indicators are set out below:

- Net invested capital (NIC): determined by the algebraic sum of non-current assets, other non-current assets (liabilities), net working capital, deferred tax assets (liabilities), provisions for risks, and employee benefits and assets (liabilities) held for sale. This APM is used by the Group in the context of internal and external documents and is a useful measure for the purpose of measuring total net assets, both current and non-current, also through comparison between the reporting period and previous periods or financial years. This indicator also makes it possible to carry out the analyses of operating trends and to measure performance in terms of operating efficiency over time.
- Net financial debt: calculated as the sum of non-current financial liabilities at net of non-current financial assets and current financial liabilities at net of current financial assets and cash and cash equivalents. This APM is used by the Group in the context of documents both internal to the Group and external and represents a useful tool to assess the Group's financial structure, including by comparing the reporting period with those related to the previous periods or fiscal years.
- Net Working Capital (NWC): determined as the algebraic sum of current and non-current assets and liabilities from contracts with customer, current and non-current trade receivables, inventories, current tax assets and liabilities, sundry receivables and other current assets, trade payables and sundry payables and other current liabilities. This APM is used by the Group in the context of both internal and external documents and represents a useful tool to assess the

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Group's operational efficiency, including by comparing the reporting period with those related to the previous periods or years.

- Gross operating profit (EBITDA): calculated as the sum of income before tax, income from equity-accounted investments, adjustments to the value of investments, financial income and expense, and amortisation, depreciation, provisions and write-downs. EBITDA is explicitly shown as a subtotal in the financial statements. This APM is used by the Group in the context of documents both internal to the Group and external and is a useful tool for assessing the Group's operating performance (both as a whole and at the individual Business Units level), including by comparing the operating results for the reporting period with those for previous periods or fiscal years. This indicator also makes it possible to carry out the analyses of operating trends and to measure performance in terms of operating efficiency over time.
- Operating income (EBIT): calculated as the sum of income before tax, income from equity-accounted investments, adjustments to the value of investments and finance income and costs. Operating Profit is explicitly shown as a subtotal in the financial statements.
- Free cash flow: determined as the sum of operating cash flow and cash flow from investing activities.
- Investments: represents the sum of investments in property, plant and equipment, intangible assets and financial assets (equity investments), presented gross of capital grants. This APM is used by the Group in the context of internal documents of the Group and external documents, and measures the financial resources absorbed in purchases of consumer durable goods in the period.

As required by Article 154 bis, Section 2, of the Consolidated Finance Act, Anna Tanganelli, as Corporate Accounting Documents Officer, states that the accounting information provided in this press release is consistent with the information in the supporting documents and in the Company's accounting books and other accounting records. The financial report at 31 December 2022 will be filed according to the law at the Company's registered office (Via Nubi di Magellano, 30 - Reggio Emilia) at Borsa Italiana S.p.A. and shall be available to anyone who requests it and will also be available on the Company's website at www.gruppoiren.it. The financial statements of the IREN Group are provided below.

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INCOME STATEMENT

	EUR thousands		
	FY 2022	FY 2021 Restated	Change %
Revenue			
Revenue from goods and services	7,627,961	4,826,741	58.0
Other income	235,082	129,130	82.1
Total revenue	7,863,043	4,955,871	58.7
Operating costs			
Raw materials, consumables, supplies and goods	(4,582,060)	(1,990,495)	(*)
Services and use of third-party assets	(1,669,325)	(1,421,590)	17.4
Other operating expenses	(81,582)	(87,832)	(7.1)
Capitalised costs for internal works	55,655	43,382	28.3
Personnel expense	(531,060)	(483,498)	9.8
Total operating costs	(6,808,372)	(3,940,033)	72.8
GROSS OPERATING PROFIT (EBITDA)	1,054,671	1,015,838	3.8
Depreciation, amortisation, provisions and impairment losses			
Depreciation and amortisation	(522,591)	(478,320)	9.3
Impairment losses on loans and receivables	(63,465)	(53,521)	18.6
Other provisions and impairment losses	(4,880)	(30,321)	(83.9)
Total depreciation, amortisation, provisions and impairment losses	(590,936)	(562,162)	5.1
OPERATING PROFIT (EBIT)	463,735	453,676	2.2
Financial management			
Financial income	23,201	28,173	(17.6)
Financial expense	(105,108)	(74,553)	41.0
Net financial income	(81,907)	(46,380)	76.6
Gains on equity-accounted investments	5,211	6,019	(13.4)
Share of profit of equity-accounted investees, net of tax effects	11,758	10,294	14.2
Pre-tax result	398,797	423,609	(5.9)
Income taxes	(128,851)	(90,208)	42.8
Profit from continuing operations	269,946	333,401	(19.0)
Net result from discontinued operations	-	-	-
Net result for the period	269,946	333,401	(19.0)
attributable to:			
- Profit (loss) for the period attributable to shareholders	226,017	303,172	(25.4)
- Profit (loss) for the period attributable to minorities	43,929	30,229	45.3

(*) Change of more than 100%

The comparative data for the 2021 financial year have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects deriving from the completion of the allocation of the acquisition price at the definitive fair value of the assets and liabilities acquired (Purchase Price Allocation) of SidIren and Iren Energy Solutions, which took place in 2022.

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RECLASSIFIED STATEMENT OF FINANCIAL POSITION

	EUR thousands		
	31.12.2022	31.12.2021 Restated	Change %
Non-current assets	7,654,903	6,883,177	11.2
Other non-current assets (liabilities)	(416,214)	(458,642)	(9.3)
Net Working Capital	(223,927)	(222,501)	0.6
Deferred tax assets (liabilities)	198,645	238,847	(16.8)
Provisions for risks and employee benefits	(692,301)	(585,033)	18.3
Assets (Liabilities) held for sale	16,802	1,144	(*)
Net invested capital	6,537,908	5,856,992	11.6
Equity	3,191,154	2,950,591	8.2
<i>Non-current financial assets</i>	<i>(169,057)</i>	<i>(131,766)</i>	28.3
<i>Non-current financial debt</i>	<i>4,266,014</i>	<i>3,549,612</i>	20.2
Non-current net financial debt	4,096,957	3,417,846	19.9
<i>Current financial assets</i>	<i>(1,044,778)</i>	<i>(977,404)</i>	6.9
<i>Current financial debt</i>	<i>294,575</i>	<i>465,959</i>	(36.8)
Current net financial debt	(750,203)	(511,445)	46.7
Net financial debt	3,346,754	2,906,401	15.2
Own funds and net financial debt	6,537,908	5,856,992	11.6

(*) Change of more than 100%

The comparative data as at 31 December 2021 have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects deriving from the completion of the allocation of the acquisition price at the definitive fair value of the assets and liabilities acquired (Purchase Price Allocation) of SidIren and Iren Energy Solutions, which took place in 2022 and the change in the method of recording and displaying CO2 emission rights (Emission Trading System).

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STATEMENT OF CASH FLOWS

thousands of euro

	FY 2022	FY 2021 Restated	Change %
Opening net financial debt	(2,906,401)	(2,948,241)	(1.4)
Result for the period	269,946	333,401	(19.0)
Non-monetary adjustments	936,269	716,206	30.7
Payment of employee benefits	(9,624)	(10,373)	(7.2)
Utilisations of provisions for risks and other charges	(33,955)	(39,424)	(13.9)
Change in other non-current assets and liabilities	(29,642)	31,421	(*)
Taxes paid	(194,274)	(102,550)	89.4
ETS Purchase	-	-	-
Cash flows for transactions on commodities derivatives markets	65,915	(25,583)	(*)
Other changes in equity	752	(901)	(*)
Cash flows from changes in NWC	77,670	48,275	60.9
Operating cash flow	1,083,057	950,472	13.9
Investments in property, plant and equipment and intangible assets	(897,565)	(757,775)	18.4
Investments in financial assets	(39,455)	(4,488)	(*)
Proceeds from the sale of investments and changes in assets held for sale	5,959	7,011	(15.0)
Acquisition of subsidiaries	(270,534)	(85,722)	(*)
Dividends received	2,941	3,878	(24.2)
Total cash flows from investing activities	(1,198,654)	(837,096)	43.2
Free cash flow	(115,597)	113,376	(*)
Cash flows from own capital	(164,710)	(153,324)	7.4
Other changes	(160,046)	81,788	(*)
Change in net financial debt	(440,353)	41,840	(*)
Closing Net financial debt	(3,346,754)	(2,906,401)	15.2

(*) Change of more than 100%

The comparative data for the 2021 financial year have been restated to take into account, at the acquisition date, as required by IFRS 3, the effects deriving from the completion of the allocation of the acquisition price at the definitive fair value of the assets and liabilities acquired (Purchase Price Allocation) of SidIren and Iren Energy Solutions, which took place in 2022.

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